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September 10, 2001

**Ex Parte**

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W. – Portals  
Washington, DC 20554

*Re: Application by Verizon Pennsylvania for Authorization to Provide In-Region  
InterLATA Services in Pennsylvania, CC Docket No. 01-138*

Dear Ms. Salas:

In an August 16, 2001 ex parte, Sprint raised several issues about Verizon's Section 271 compliance in Pennsylvania. Although Verizon has already addressed Sprint's claims in its Reply Comments, in the interest of completeness, Verizon submits the following responses to Sprint's concerns.

First, Sprint complains that carriers cannot order transport facilities at the same time as they order collocation arrangements. This issue is the subject of a pending arbitration proceeding in Pennsylvania. Currently, Verizon needs to know the specific location of a carrier's interconnection facilities, such as DS-1s and DS-3s, which will be constructed as part of the carrier's collocation arrangement in order to provision and connect Verizon's circuits to the carrier's circuits. Verizon can not obtain this information until work on the collocation arrangement is close to complete. In its ex parte, Sprint suggests that Verizon's response to this claim was to point to a trial with another carrier that addresses a slightly different issue. That is not the case. As Verizon explained in its Reply, Sprint and Verizon have started a trial for the parallel provisioning of collocation arrangements and DS-3 interoffice transport. Reply Declaration of Paul Lacouture and Virginia Ruesterholz at ¶ 120. Because Sprint has no pending collocation sites in Pennsylvania, a site in Maryland has been chosen for the trial. However, since the systems and procedures in place are similar in both states, Verizon should be able to apply the results of a successful Maryland trial to its Pennsylvania operations.

Second, Sprint argues that reciprocal compensation, rather than access charges, should apply to a proposed "00 minus" service to be offered by Sprint to provide operator services on local calls carried by other carriers. This very issue is currently pending before the Pennsylvania PUC in an

arbitration proceeding. Therefore, as Verizon has previously explained, the Commission need not decide this issue in the 271 context.

In any event, Sprint is wrong on the merits. Sprint's proposed "00 minus" service would allow Sprint long distance customers to access Sprint's operator services platform for calls that terminate in the customer's same calling area. Under Sprint's "00 minus" service, traffic would originate on Verizon's network and terminate on the same Verizon network. The Sprint service uses access facilities, not local exchange facilities, to deliver the traffic in question. This traffic is routed from Verizon's local exchange network across Verizon's access trunks, switched by Verizon's access tandem onto Sprint's point of presence ("POP") (with Sprint acting as an IXC), transported by Sprint as an IXC back through a Sprint POP, switched again by a Verizon access tandem, carried along Verizon's access trunks and terminated on Verizon's local exchange network.

Sprint wants to pay reciprocal compensation for these calls when it hands them off to Verizon on the terminating end. But the calls do not qualify for reciprocal compensation under the Commission's rules. Reciprocal compensation is payable only "for the transport and termination on each carrier's network facilities of telecommunications traffic . . . *that originates on the network facilities of the other carrier.*" 47 C.F.R. § 51.701(e) (emphasis added). The Commission's rules could not be clearer: reciprocal compensation applies only when traffic originates on one network and terminates on another. Since the traffic in question under Sprint's service would both originate and terminate on Verizon's network, reciprocal compensation can not apply.

Instead, the traffic on Sprint's "00 minus" service qualifies as access traffic. The routing of dial-around calls is identical, regardless of whether the recipient of the call is located within or outside the defined local calling area. Additionally, by instructing customers to use "00 minus," the presubscribed interexchange code, Sprint ensures that this traffic will be routed as access traffic. Indeed, Verizon's federal access tariff, expressly covers "00 minus" calls indicating that such calls are routed to the "predesignated customer" (in the access tariff "customer" refers to carrier). See FCC Tariff No. 1, Access Service, 6.2.4(A)(6). Sprint's allegation that its "00 minus" traffic is "local traffic" is merely an attempt to circumvent the higher access charges which appropriately apply.

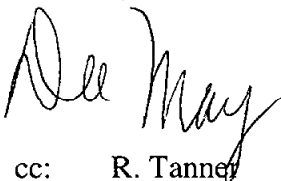
Third, Sprint argues that Verizon's proposal for apportioning the costs imposed by a carriers' choice of network design – a proposal known as "virtual geographically relevant interconnection points" ("VGRIPs") – effectively denies carriers the right to interconnect at a single point in a LATA. The mere fact that Verizon has proposed VGRIPs in the context of an arbitration proceeding does not mean that Verizon has somehow failed to comply with checklist requirements. Moreover, because Verizon's VGRIPs proposal is currently pending before the Pennsylvania PUC, the Commission need not address the issue in the 271 context. See Verizon Reply Brief at 17. Both the PUC and this Commission are in agreement that arguments such as Sprint's "are more appropriately to be addressed in arbitration proceedings" that are currently underway. PUC Consultative Report at 47; see New York Order ¶ 76; see also Kansas/Oklahoma Order ¶ 234 (declining to review similar complaint about analogous SWBT proposal because it was at issue in ongoing arbitration)

As Verizon made clear in its Reply, Verizon's VGRIPs proposal expressly *permits* carriers to establish a single physical point of interconnection per LATA, as required by the Commission's rules. The only issue is how to apportion the costs imposed by a carrier's particular choice of network design. Verizon Reply Brief at 18, Reply Declaration of Paul Lacouture and Virginia Ruesterholz at ¶¶ 107-108. Sprint would foist the additional transport costs resulting from a carrier's choice to establish a single point of interconnection onto Verizon. However, a carrier's right to determine where its network will physically interconnect with Verizon does not translate into a unilateral right to determine how the costs imposed by that choice will be borne.

Fourth, Sprint argues that Verizon's current Pennsylvania tariff permits Verizon to double-charge carriers for DC power. It claims that this is the case because a state tariff that provides that Verizon will charge for DC power based on the number of load amps requested, rather than the number of fused amps per feed is not in effect. But this is simply wrong. The provisions of Verizon's tariff stating that Verizon will charge based on the number of load amps indicated by the carrier are currently effective. The only portions of the tariff that have been suspended by the Pennsylvania PUC, deal with certain audit and penalty provisions which do not affect the rate for power.

Fifth, Sprint complains about Verizon's arbitration request to collocate at Sprint's switch centers in order to meet its interconnection obligations to Sprint. According to Sprint, Verizon's request reflects a "take-no-prisoners negotiation style." However, as Sprint acknowledges, Verizon has not argued that Sprint is legally obligated under the Act to allow Verizon to collocate at its switch centers. Rather, Verizon has proposed that it be allowed to self-provision (build) its own transport facilities to Sprint's point of presence to deliver Sprint's local traffic. Reply Declaration of Paul Lacouture and Virginia Ruesterholz at ¶ 118. Such an arrangement would not result in any additional costs to Sprint, and would eliminate Verizon's need to purchase transport from Sprint to deliver traffic to Sprint's point of presence. Sprint seeks to thwart Verizon's ability to collocate at Sprint switch centers because Sprint wants to force Verizon to purchase transport facilities from Sprint, revealing that it is Sprint that has adopted a "take no prisoners approach" rather than Verizon.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Tanner", is written over the typed name.

cc: R. Tanner  
S. Pie